

Department for Medicaid Services  
General Policies and Guidelines

Hospitals - Supplement

(g) Depreciation

Medicaid inpatient capital costs will be based on Medicare cost finding principles including full allowance for depreciation cost.

(h) Contractual Inpatient Services

A psychiatric hospital designated by the Cabinet as a primary referral and services resource for children in the custody of the Cabinet shall be exempt from the upper limit for the array and shall be paid at actual projected cost with no year end settlement to actual cost; the projected cost may be adjusted for usual Data Resources, Incorporated cost of living increases.